GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:1415
ANSWERED ON:30.11.2006
REVIVAL OF HPF
Appadurai Shri M.

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government has allotted Rs.10 crore to Hindustan Photo Films (HPF), Ooty, Tamil Nadu to clear the VRS dues to their employees;

(b) if so, whether the employees of HPF have been forced to take VRS;

(c) if so, the details alongwith the reasons therefor; and

(d) the steps taken/proposed to be taken to revive HPF?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SMT. KANTI SINGH)

(a) to (c): The Government has been receiving representations from Company as well as employees associations of HPF for opening of VRS in the Company. In due consideration of the request of employees Associations, a decision has been taken by the Government for opening of VRS in HPF for which Ministry of Finance have allocated a sum of Rs.10 crores. The scheme is purely voluntary and there is no compulsion on the part of employees. Only those persons who will opt for the VRS will be considered for release after settling their dues in terms of DPE guidelines.

(d) Hindustan Photofilms Manufacturing Company Limited (HPF) was referred to the Board for Industrial and Financial Reconstruction (BIFR) in 1995. BIFR recommended its winding up on 30th January 2003. Appeals were filed by various agencies before Appellate Authority for Industrial and Financial Reconstruction (AAIFR) against winding up order of BIFR. AAIFR dismissed these appeals. However, Madras High Court has granted an 'interim stay' on the proceedings of AAIFR and BIFR orders on the basis of appeals filed by Trade Unions.

So far as the revival issue is concerned, earlier a Techno Economic Feasibility Study of the Company was conducted by appointing M/s. A.F. Ferguson as consultant. This study could not suggest a viable option for revival on sustainable basis for the Company. Subsequently, M/s. Ernst & Young has been engaged for further study of the Company on the basis of recommendations of the Department Related Parliamentary Standing Committee on Industry (Rajya Sabha).